

The Emergence of India as a Major Global Exporter

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USDA Agricultural Outlook Forum

Smart Agriculture in the 21st Century

A Discussion on Innovation, Biotechnology, and Big Data

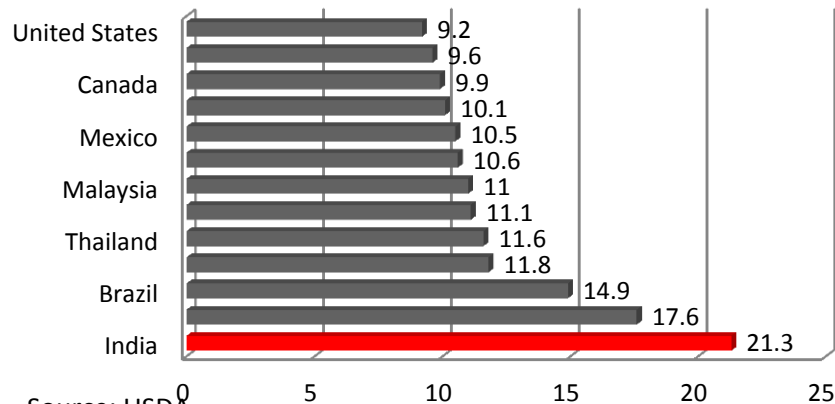
February 19, 2015

Outline of the Presentation

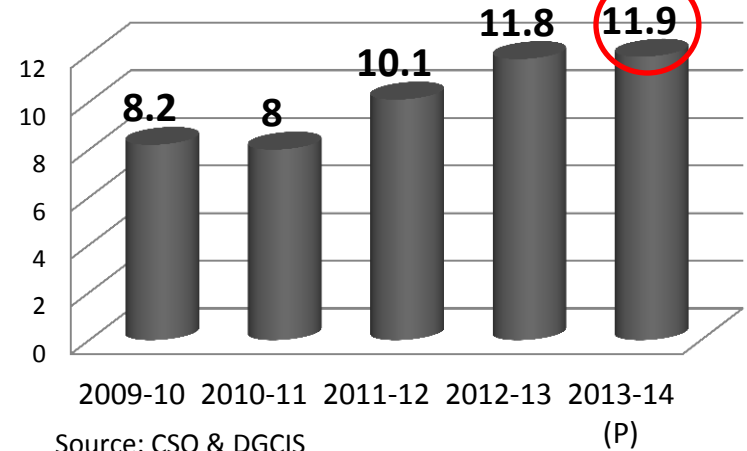
- Major Trends in Agri Exports
- Driving Factors
- Future Outlook
- Other Factors

Indian Agri Exports - Big Picture

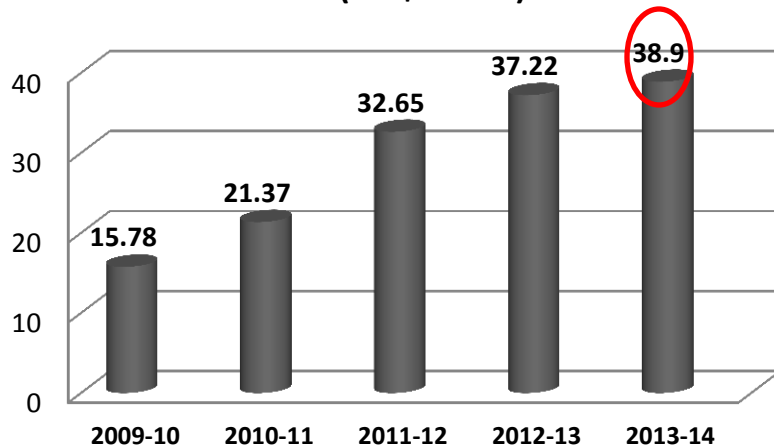
Country wise Average annual growth in agri exports by value (2003-2013) in %



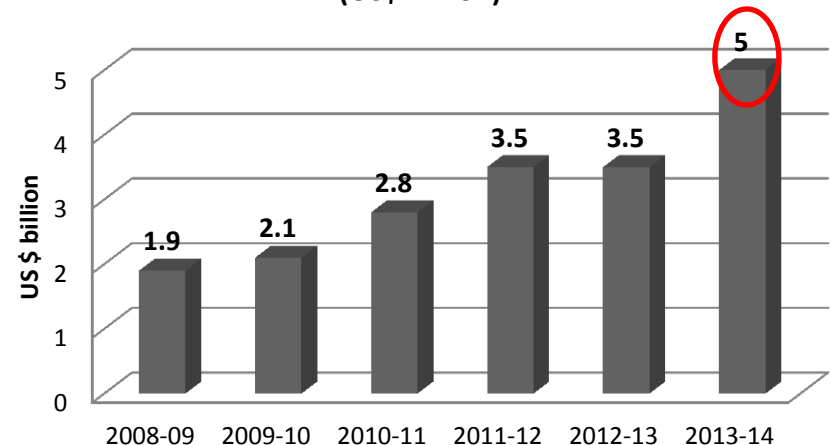
Indian Agri exports (incl marine products) as per cent of total exports



Agri exports from India (except marine) (US \$billion)



Marine Exports from India (US\$ Billion)



Total Indian Agri Exports including marine in Year 2013-14 : 43.9 US\$ Billion

Agri Exports of Major Commodities (Million Tonnes)

Crop	2011-12	2012-13	2013-14	2014-15(Apr-Oct)
Rice	7.17	10.14	10.90	6.44
Wheat	0.74	6.51	5.57	2.57
Maize	3.85	4.78	3.97	2.14
Soy meal	5.25	4.74	4.09	0.37
Guargum	0.73	0.43	0.64	0.42

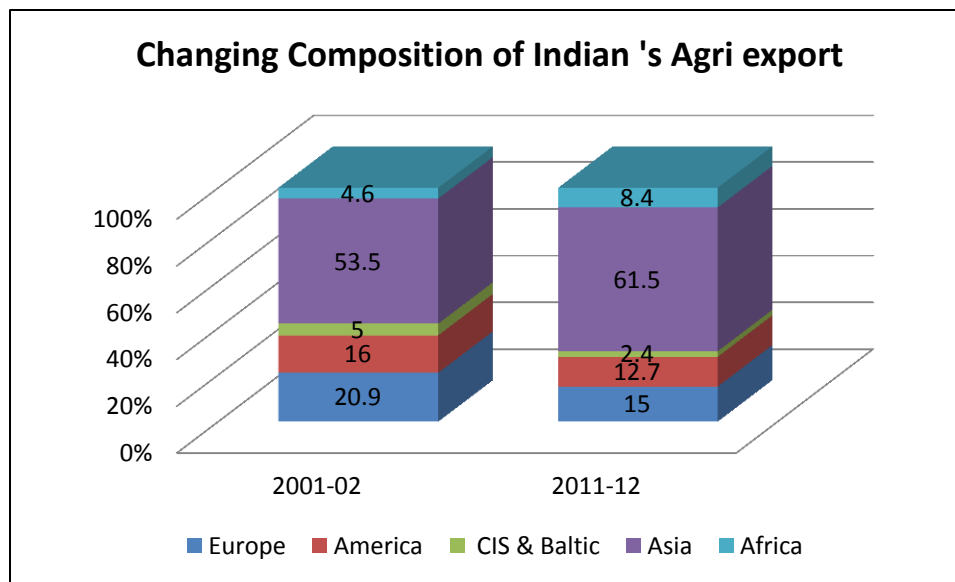
source: www.commerce.nic.in

Agri Exports of Major Commodities (Million USD)

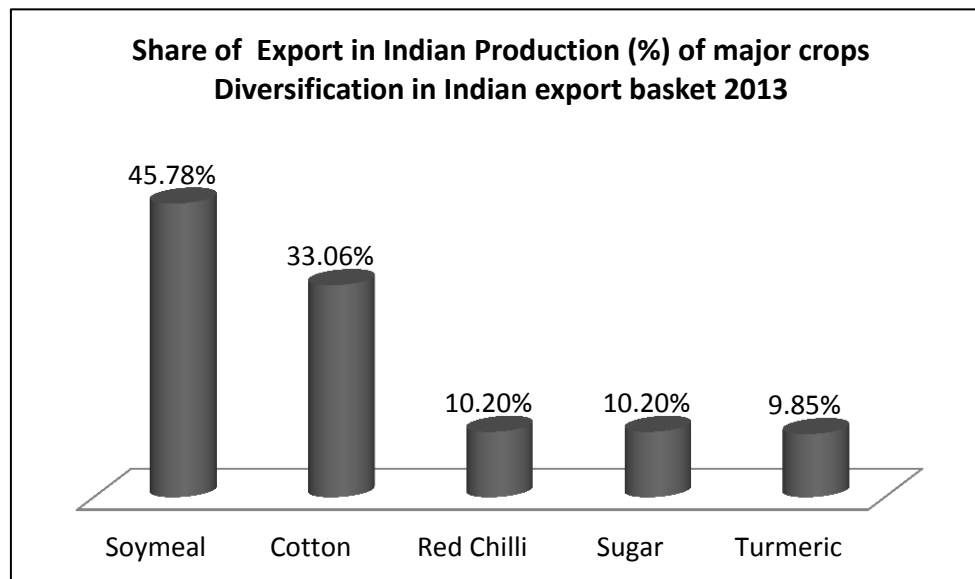
PRODUCT	2011-12	2012-13	2013-14	2014 (Oct)
Fruits &Vegetables	2080	2177	2690	1410
Buffalo Meat	2867	3202	4350	3045
Guargum	3355	3919	1980	965
Basmati Rice	3217	3564	4865	2621
Wheat	202	1934	1569	727
Maize	1075	1305	1204	511
Non-Basmati Rice	1723	2652	2925	1912
Spices	2037	2212	2267	
Marine	3500	3500	5000	
Total Exports	36150	40720	43900	

Source: APEDA/DGCIS

Structural Transformation in Indian Agri Exports



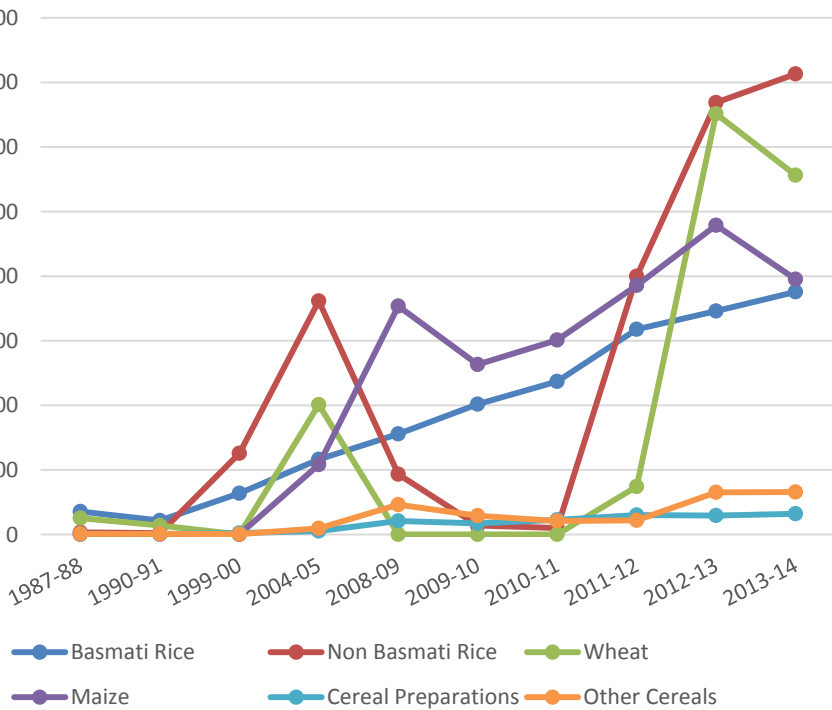
Source: Agricultural Statistics at a Glance, Various issues & Department of Commerce



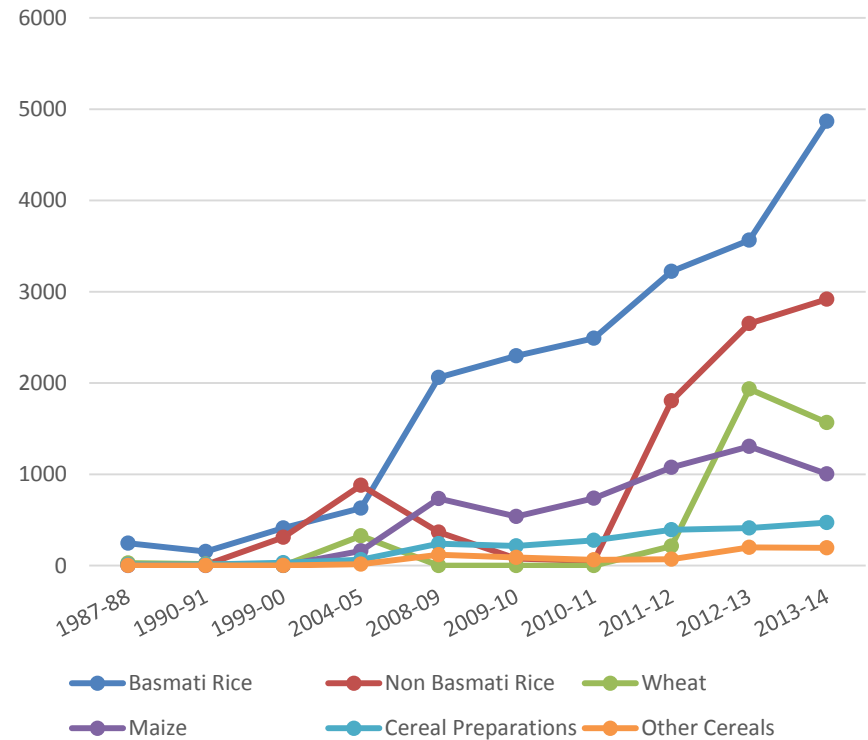
Source: Spice Board

Trends in Cereal Exports

Quantity (million tonnes)



Value (million USD)

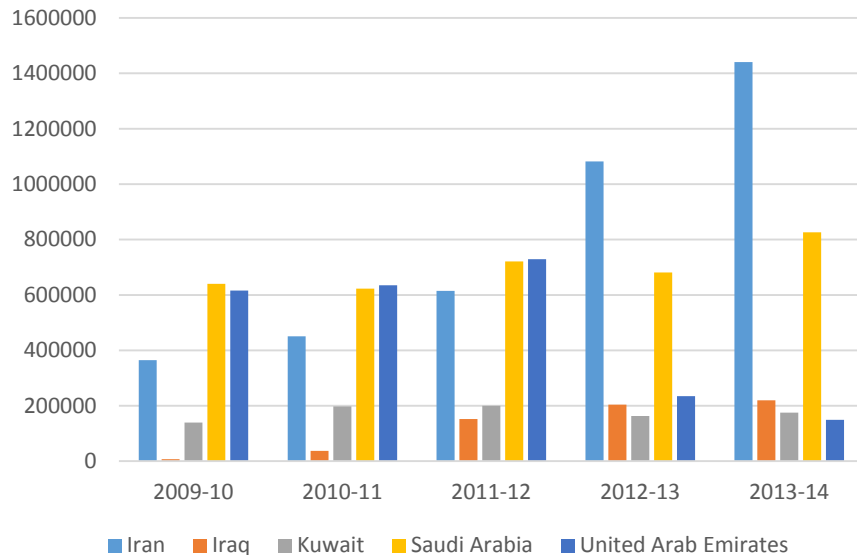


Source: Data analysed from
http://agriexchange.apeda.gov.in/index/genReport_combined.aspx

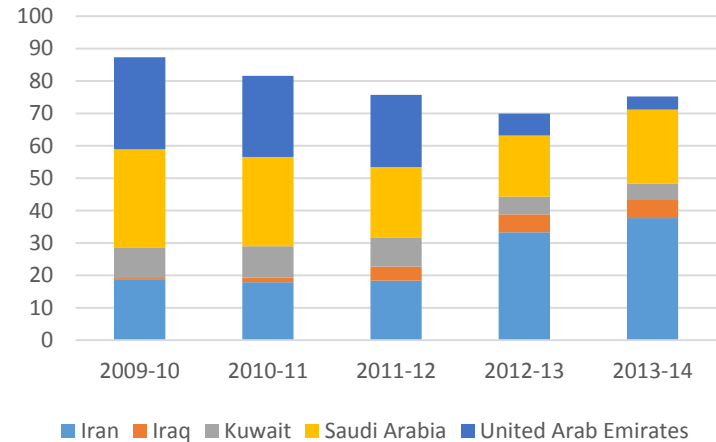
- Basmati Rice has been showing consistent growth across years
- Non-Basmati rice exports permitted from Sep, 2011 onwards
- Maize has been showing consistent growth in recent years.

Basmati Rice- Destinations

Destinations trend across years



Contribution of Countries in Total %age of exports

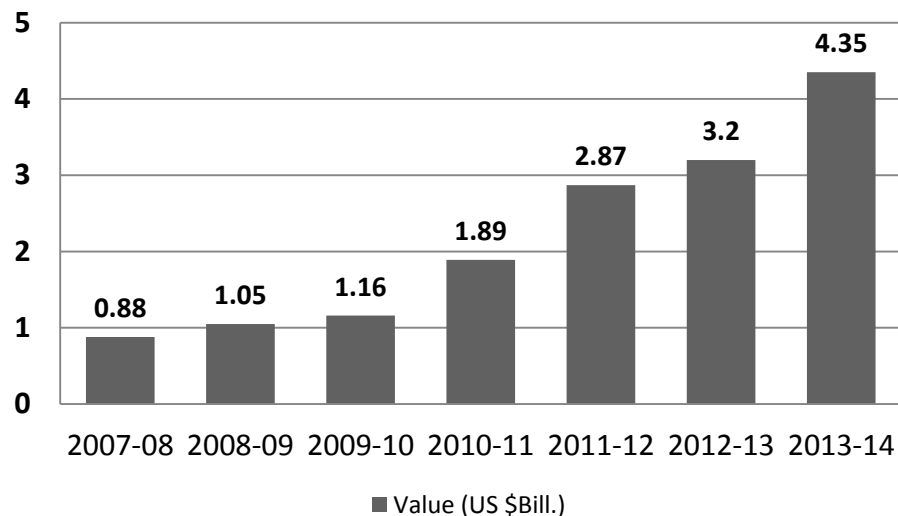


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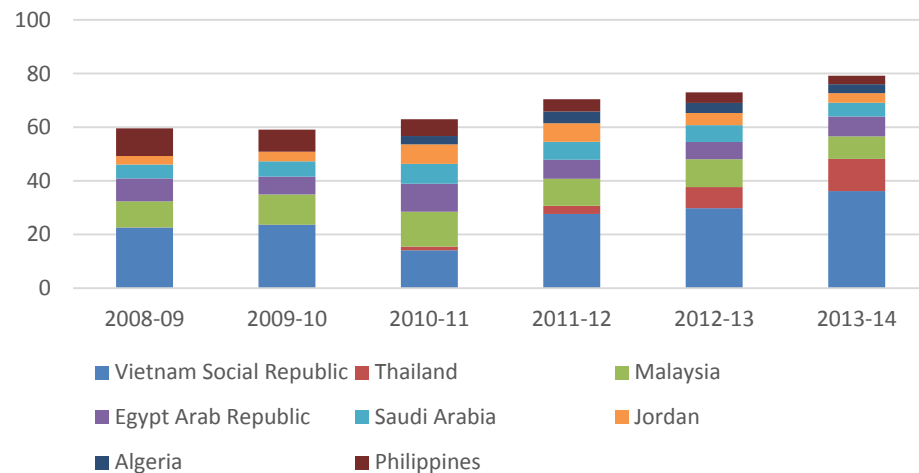
- 5 middle east countries have been contributing to around 70 – 80 % of the total Basmati exports
- Iran's basmati imports from India has seen a significant increase in 2011-12 followed by even more significant increase in 2012-13 & 2013-14.
- Indian Government has made significant marketing efforts to capture new markets such as China, Africa where the effect is expected to be visible in the coming years

Big Gains from Buffalo Meat Exports

Buffalo Meat Export from India



Country wise Exports



2010	2011	2012	2013	2014
30 export modern abattoirs	Regulatory changes of DGFT & APEDA	33 Integrated Abattoirs , 58 meat processing facilities	12 new Abattoirs coming up	4700 municipal slaughter houses to be renovated

Driving Factors

- Good monsoons (except 2009)
- Good procurement prices – motivated farmers
- Productivity increases in maize and rice, especially in Eastern India (BGREI)
- Policy decision to allow rice and wheat exports since 2011
- USD 10-15 advantage in Freight for SE Asia Markets compared to Europe/Latin American countries

Driving Factors

- Indian rice quality is good
- Large number of Indian Expats (rice, spices)
- Increasing value addition in spices
- Modern abattoirs driving buffalo meat exports
- Improved warehousing infrastructure
- Better shrimp varieties and stricter regulations

5 Year Trend of USD vs Other Currencies

USD: Indian Rupees



USD: Brazilian Real



USD: Euro



USD: Russian Ruble



Future Outlook

- **Basmati: Remain Strong**

- Basmati exports will remain strong
- New varieties (Pusa 1509) which are more efficient than current varieties
- Good synergy between scientists, millers and farmers

- **Buffalo Meat: Remain Strong**

- Newly standardized slaughter house norms
- Large number of new modern abattoirs
- High demand for Indian Buffalo meat in China
- Buffalo offal (liver, tongue, heart, tail) not consumed in India

- **Soya Meal: Weak**

- Exports seen at 26-year low: cheaper supply from Argentina, Brazil and China

- **Wheat: Weak**

- Currently Indian wheat is not competitive
- If Euro weakens further, there will be no scope for wheat exports from India

Future Outlook

- **Non-Basmati Rice: Medium to Strong**
 - Quality of Indian Rice is good
 - Thailand Rice giving stiff competition
- **Corn: Weak to Medium**
 - South Asia and Middle East markets are good
 - Currently, Indian corn not competitive
- **Spices: Remain Strong (3Bn USD by 2016)**
 - South Asia and Middle East markets are good
 - Indian /South Asia Cuisine gaining popularity
 - Usage in Nutraceutical industry
- **Guargum: Weak**
 - Low prices in international market
 - Weakening oil prices
- **Marine Exports: Medium- Strong**
 - Increased production of L. Vannamei shrimp
 - Quality control measures and Traceability

Other Factors Influencing Exports

- New government – high expectations
- Infrastructure (ports, railways and roads) expected to improve
- Overall economic outlook positive – 6.3 % in 2015-16
- India to grow faster than China by 2016-17 @6.5 %: IMF
- Indian Currency vs USD... last one year it was stable
- Euro and other currencies are depreciating faster than Indian rupee

Thank You